



Electronics Insurance - Are Your Electronics and Computers Covered by Your Insurance?

By Revs. J. Leppert



There is a lot of misinformation today about consumer electronics and how it is treated by insurance companies. Most people I talk to think that if they have homeowners or renters insurance, their consumer electronics are covered. Publicly recomm

But they usually find out that their assumptions aren't true...at claims time

Sure, some of the property is covered. But there are a bunch of limits and exclusions that will surprise you if you have a loss and file a claim.

Don't wait until claim time to learn about this important coverage. Read this article carefully and make good decisions about your coverage.

Twenty years ago, consumer computer usage and ownership was not all that common. If you owned a cell phone, you carried it in a bag the size of a small purse. There were few home fax machines. Answering machines were pretty common, but voicemail was still on the horizon. Scanners were non-existent. Printers and copiers were huge and expensive, and you didn't see them in most homes. If you were the rare person who had satellite TV, the dish was about eight feet across and sat out in the back yard. And Personal Digital Assistants (PDAs) and MP3 players had not been invented yet.

But today...

In our home we have:

- o two desktop computers with monitors
- o four laptop computers
- o four printers
- o one stand-alone fax machine
- o one combination fax, scanner, copier
- o three TVs
- o two VCRs
- o one digital video camera with tripod for our home recording studio
- o one audio mixing board, one microphone, one amplifier, two external soundcards, and a 500GB hard drive, all for our home recording studio
- o two DVD players
- o two cell phones, one smartphone, each with voicemail
- o one satellite TV system with a 24" dish on the roof
- o two Ipods

Your home may not have that amount of electronics, but then again, you might have more. The way that consumer electronics prices have tumbled over the years makes ownership much easier for more and more people

But...is it covered? Does your homeowners or renters insurance cover your electronics?

We run three separate businesses out of our home. Most of our electronics are used in our businesses.

Do you have a home business? There are millions of home businesses...everything from home daycare to a service business to multilevel marketing businesses. Many times, those entrepreneurs own office electronics for their home business. Do you use your computers and other electronics for any kind of home business? Even if you're answering office email on your home computer, it could be considered "business use."

Are they covered by YOUR homeowners policy?

Are they covered if they are business-related?

What happens if your desktop or laptop computer is stolen, either from home or away from home? Is the theft covered by your homeowners insurance policy?

If you're carrying your laptop through an airport anywhere in America, your laptop is at huge risk for theft. (See more below) What if your laptop is stolen while you're in the airport?

Here is the answer to those questions...

MAYBE!!

In the Homeowners or Renters Policy, Coverage C, Contents, there are special limits of \$2,500 for "property, on the residence premises, used primarily for business purposes." The policy says there is a \$500 limit for "property away from the residence premises used primarily for business purposes." Of course, you will have a deductible to pay first, so if your deductible is \$500 or more, you won't get ANY money from the insurance company for this loss.

Are your personal electronics covered? Yes, but only for the following perils:

- o Fire or lightning
- o Windstorm or Hail
- o Explosion
- o Riot or Civil Commotion
- o Aircraft (not in aircraft, but if aircraft fall on your stuff)
- o Vehicles (not in vehicles, but if vehicles crash into your stuff.)
- o Smoke
- o Vandalism or Malicious Mischief
- o Theft
- o Falling Objects (stuff falling onto your stuff)

- o Weight of Ice, Snow or Sleet
- o Accidental Discharge or Overflow of Water or Steam
- o Sudden and Accidental Tearing Apart or Bursting (of a steam or hot water system).
- o Freezing
- o Sudden and Accidental Damage from an Artificially Generated Electrical Current
- o Volcanic Eruption

As I said above, the policy limit for business electronics at the residence is \$2,500.

If your laptop or other portable electronics are stolen from your car, there is no coverage under your Auto insurance for the theft.

Also remember, that under Coverage C, Contents, payment is made on an Actual Cash Value basis, not Replacement Cost Value. The only way to get RCV is to add the Contents Replacement Cost endorsement to your policy. It's not automatic, you have to request it.

How about other kinds of damage that your computer might sustain?

- o Accidental damage, such as dropped equipment, falls, liquid spills and auto collisions.
- o Water damage

Those kinds of damages are not covered under your homeowners or renters policy.

And what about the software and sensitive data in your computer? Is that covered, too?

Not likely. In the Homeowners and Renters policies, under the "Property Not Covered" section, "business data, including data stored in computers and related equipment" is not covered.

So, to be fully covered, you'll need to buy some additional coverage.

COMPUTER AND PERSONAL ELECTRONICS INSURANCE

The leading company in the world for computer and portable electronics insurance is Safeware Insurance. They have programs for students, individuals, small and large businesses and schools at very competitive rates.

Let me take a few minutes and tell you about their outstanding insurance product.

If you own:

- o Desktop or Laptop Computers
- o Personal Digital Assistants (PDAs)
- o Smartphones
- o Digital cameras
- o MP3 players
- o Scanners/Faxes/Copiers
- o Printers
- o DVD players
- o Flash drives
- o Servers
- o External hard drives
- o Digital camcorders
- o Peripherals that connect to your computers through a USB port, Firewire, PCMCIA or another input

All of these electronic products need special insurance coverage not provided in Homeowners or Renters policies.

Did you know these facts about computers?

- o Accidental damage is the number one cause of loss
- o Theft is number two cause of loss
- o Power surge is number three
- o Manufacturer warranties do not protect your computer from accidental damage or theft
- o Even though some manufacturers do offer special "damage only" coverage, they do not offer coverage for theft, power surges, natural disasters or vandalism.

You already know how easy it is to have electronics with replacement value in excess of \$2,500. There are loaded desktops and laptops that easily exceed \$2,500 EACH.

So, you have some choices:

1. Call your agent and buy a Personal Property Endorsement to add coverage to your homeowners or renters policy. Downsides to this choice are (a) many endorsements only pay the Actual Cash Value of the damaged property, not replacement cost, and (b) perils like Accidental Damage, Drops, Falls, Cracked Screens, Liquid Spills and Auto Collisions are not covered.
2. Buy a custom policy that just adds special coverage for your computers and other electronics, like:

- o Desktops
- o Laptops and notebooks
- o Personal Digital Assistants (PDAs)
- o Smartphones
- o Digital cameras
- o MP3 players
- o Scanners/Faxes/Copiers
- o Printers
- o DVD players
- o Flash drives
- o Servers
- o External hard drives
- o Digital camcorders
- o Peripherals that connect to your computers through a USB port, Firewire, PCMCIA or another input

Safeware's policies cover Accidental Damage, Drops, Falls, Cracked Screens, Liquid Spills and Auto Collisions

Business Electronics

In May 2006, burglars stole a laptop from the home of a data analyst at the Department of Veterans Affairs. The laptop contained the sensitive personal information of over 26 million veterans and military personnel. The FBI said that the laptop was recovered after an informant "snitched," motivated by a \$50,000 reward.

But it's not just organizations that deal with consumer data that are concerned about thefts. Companies whose employees have laptops are naturally concerned with the value of the computer when it is the company that owns the laptop.

The Ponemon Institute, a privacy risk management think tank, released an extensive study in June 2008 entitled "Airport Insecurity: The Case of Missing and Lost Laptops." They studied laptop security at 106 American airports and found that there is an average of 12,000 laptops lost, missing or stolen at American airports PER WEEK! The airport with the worst record is Los Angeles International, with about 1,200 per week. The nation's busiest airport, Atlanta's Hartsfield, was in eighth place with 450 per week.

Further, the study found that only 33% of the laptops within the airport's Lost and Found Departments are ever reclaimed! That means that the remaining 67% of unclaimed laptops are either sold or disposed of by airport authorities. Can you imagine the amount of sensitive personal and business data contained in those laptops? No one knows what happens to that data, but it is ALL at risk. The Identity Theft risks are astronomical.

Safeware's policy covers business electronics for the hazards the homeowners, renters or business insurance policy does not cover.

Education Coverage

Students face a higher risk of damage or theft than a normal adult user. Students can experience accidents when they're putting their stuff into their locker, or accidentally get bumped in a busy hallway, or when they're running to the bus. A soft drink could be spilled on the keyboard, or they could sit their laptop bag down somewhere and later find it missing.

This policy protects students' computers against Accidental Damage, Theft, Vandalism, Power Surge, and Natural Disasters at any location within the USA, Canada and while in transit.

Small Business Coverage is for any sized business with electronics property values up to \$49,999, covering Accidental Damage, Theft, Fire, Vandalism, Power Surge and Natural Disasters.

Commercial Coverage is a group plan for organizations that have electronics property values in excess of \$50,000. Coverage can be one of the following: Comprehensive (Accidental Damage, Theft, Fire, Vandalism, Power Surge, and Natural Disasters); Theft ONLY, or Accidental Damage ONLY.

The Commercial policy can benefit organizations such as

- o Schools and colleges that want to make their student's notebook computers more safe and less at risk.
- o Corporations issuing notebooks and laptops to their workers, and wishing to minimize their risk of capital loss.

In these organizations, the equipment is owned by the corporation or school and used by the employee or student. Experience has shown that if an individual does not own the computer, he or she is likely to take less care of the item than if they owned it themselves. Schools and businesses need to insure their equipment against the perils that could turn their expensive equipment into unusable junk.

Safeware Insurance policies do not depreciate for age and condition of your electronics. If you have a claim that requires replacement of your equipment, they pay for like kind and quality of the equipment you had. That's a HUGE difference from the Homeowners and Renters policies, and could mean thousands more dollars to you in a claim.

Worldwide Coverage is an endorsement that adds global coverage to your policy for a very low price. Standard coverage is for the USA, Canada and Puerto Rico.

Mobile Advantage insures PDAs and smartphones. You likely purchased your unit at a big discount when you signed up for a service plan. If your device is damaged or stolen, you'll have to pay full retail for another unit. However, with Mobile Advantage, you're only responsible for the \$50 deductible per incident to get a brand new device.

For more information about Personal Electronics Insurance for your student, yourself, your business or your school, contact Safeware Insurance at: safeware.com

LAPTOP RECOVERY COVERAGE

Can you get your stolen laptop back?

There is a way that you can protect your laptop, and then retrieve your laptop after it's been stolen

Three burglary suspects were arrested on February 1, 2008 by Albuquerque police, thanks to a stolen computer loaded with tracking software. The software is called LoJack for Laptops(TM), developed by Absolute Software. The tracking software told the police exactly where to find the suspects. The police were also able to recover thousands of dollars in other stolen property at the location.

Absolute Software is the leader in Computer Theft Recovery, Data Protection and Secure Asset Tracking(TM) solutions. It works this way: You install the LoJack for Laptops(TM) software and register it at the LoJack website. If the laptop is stolen, you notify your local police and notify the LoJack Recovery Team. The next time your computer is connected to the Internet, the laptop secretly notifies the Monitoring Center of its whereabouts. The Recovery Team can track its location, and provide police with the information they will need to get a search warrant and recover your laptop.

Pricing for LoJack for Laptops(TM) starts at only \$39.99 per year.

My friend here in Atlanta, Cole Harrison, had his laptop stolen from his car recently. He had the Lojack system on the laptop, and notified them immediately when he discovered the theft. Lojack located the laptop the next day...in Thailand.

If you want protect your laptop so you can get it back after it's been stolen, contact Lojack for Laptops at: www.lojackforlaptops.com Lojack boasts a 90% recovery rate for stolen laptops.

CONCLUSION

For only a small price, you can have the proper coverage you need to protect all your personal and business electronics. Be the smartest person on your block with the right protection. Be the hero to your business with the best coverage. YOU CAN DO IT!!

Now, I'd like to offer you two special reports at no cost. One is "5 Things To Do When Shopping For Car Insurance," and the other is "5 Things To Avoid When Shopping For Car Insurance." Each one is a \$9.95 value, but free to you when you sign up for my newsletter at the website address below.

P.S. WARNING!! Do Not Buy Insurance, or Submit an Insurance Claim Without Visiting This Website!

check out: <http://www.insurance-claims-secrets.com>

My Book is NUMBER ONE at Amazon.com in its category! Buy it Today!

Nominated for Georgia Author of the Year Award 2008

Finalist, USA Book News "Best Book Awards 2008"

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